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RUEHCV/AMEMBASSY CARACAS 3168  
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RUEHPE/AMEMBASSY LIMA 3370  
RUEHLE/AMEMBASSY LUXEMBOURG 0108  
RUEHMD/AMEMBASSY MADRID 3774  
RUEHMN/AMEMBASSY MONTEVIDEO 5153  
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C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 003292

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E.O. 12958: DECL: 12/19/2017  
TAGS: [ASEC](#) [BL](#) [ECON](#) [PGOV](#) [PHUM](#) [PREL](#)  
SUBJECT: SANTA CRUZ TAKING NO CHANCES WITH EVO

REF: LA PAZ 3269

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d).

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SUMMARY  
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¶1. (C) After the peaceful celebration announcing the referendum drive for Santa Cruz autonomy on December 15, opposition leaders are taking no chances with Evo Morales and preparing for a difficult 2008. Santa Cruz leaders are under no illusion that Evo or the MAS will cede on any issue and thus plan to follow a three prong strategy: push for a departmental (state) referendum to adopt autonomous statutes, try to block the MAS constitution from getting to a referendum, and in case the constitution does go to referendum, campaign for a "no" vote. End Summary.

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BUSINESS LEADS OPPOSITION  
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¶2. (C) CAINCO (Santa Cruz Business Federation) President Gabriel Dabdoub, Vice President Eduardo Paz, and General Director Daniel Velazco told Emboff that the national government was waging a "psychological war" against the opposition whose aim was to scare Santa Cruz from going ahead with an autonomy referendum. Threats of militarization, rounding up of opposition leaders, media campaigns, and concern for personal safety all have taken their toll said the CAINCO executives, but that they are determined to fight for a "democratic and capitalist way of life." Dabdoub said that the Morales government has lost all credibility after breaking many agreements with the opposition, including the Constituent Assembly rules agreed upon. When asked about Morales' call for dialogue now that the MAS passed its constitution Dabdoub, compared Morales to a thief who breaks

into your house, steals your china, and then has the nerve to invite you to lunch and serve you on your own plates.

13. (C) CAINCO outlined a three prong strategy which had been agreed upon by the opposition movement (the prefecture, the civic committee, and CAINCO). The first part is the signature collection drive to bring the Santa Cruz autonomy statute to a state referendum, the second to try and block the MAS constitution from ever reaching a referendum, and the third to ensure the MAS constitution fails if it actually was brought up for a vote. CAINCO and the civic committee have reached out to the Venezuelan university leaders who campaigned for the no vote against Chavez and plan to bring a group of them to Santa Cruz in January for consultations. Other plans include sending opposition governors and representatives to Europe to try to sway public and private opinions there and a strengthening of the relationship between CAINCO and the Sao Paulo Brazil business federation. Dabdoub ended the meeting by saying that the Bachelet - Lula visit had a calming effect on Evo but that just because things have settled down for the holidays does not mean either side is taking a vacation.

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NO TRUSTING EVO  
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14. (C) Ronaldo Castedo, President of COTAS (Santa Cruz' largest cooperative and largest provider of phone services, internet and cable TV) and member of the Santa Cruz Civic Committee, also complained of the "psychological terrorism"

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the government employs against the opposition. Castedo said that Evo is "making deep open wounds that will take years to heal." Castedo predicts that "Bolivia will finally go off the cliff if the draft constitution is brought to a referendum in its current form," adding, "if Evo does not change his ways he will end up like Goni." Castedo explained that the autonomous celebrations held in four states on December 15 helps strengthen Santa Cruz Governor Ruben Costas as the representative of the opposition departments grouping (CONALDE). "Our goal is to position Ruben Costas as an equal to Evo. Costas should only speak directly with Evo, not even with any of his ministers." Castedo is pessimistic that a compromise can be reached because the government has "double crossed" them on countless occasions. As an example, he showed Emboff a notarized copy of the contract for COTAS and a group of Bolivian investors to buy Entel's Bolivian operations signed October of 2005. Castedo said Vice President Garcia Linera (then candidate) had a meeting with COTAS to say if he and Evo won the election they would not stand in the way of the sale but rather give it their blessing. After being elected Garcia Linera did not keep his word and Evo announced the nationalization of European owned Entel, blocking the sale to COTAS. The COTAS purchase option ran out in July of this year leaving in its wake "a group of powerful Bolivian businessmen convinced they cannot trust this government."

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MOTHERS TAKE NO CHANCES  
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15. (C) In a December 18 meeting, Emilse Parada, President of the Mothers Club of Villa Primero de Mayo (a slum on the outskirts of Santa Cruz city), told Emboff that over twenty mothers were in the crowded autonomy celebration on December 15 with molotov cocktails to use against the police in case tear gas was used on the crowd. Parada said that after the military takeover and gassing of crowds at the Santa Cruz International airport she and the other mothers who has marched vowed to never be tear gassed again. The Mothers Club was given a lesson in how to make molotov cocktails. Also becoming popular with Santa Cruz residents is a whip fashioned out of cable wire in response to MAS loyalists

threats to blockade the city and whip (chicotear) residents.

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COMMENT  
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¶6. (C) There is relief that the autonomous referendum celebration on December 15 was peaceful but a realization by the opposition that difficult times are ahead. Santa Cruz contacts unanimously predict tensions to heat up and possible violence after January 6 (Three Kings Day). At this point there is a complete lack of trust of Evo Morales and his cabinet by the opposition, something which Evo appears to reinforce with his attacks and actions. End Comment.  
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